



September 9, 2005

FDIC  
San Francisco Regional Office  
Director John F. Carter  
25 Jessie Street at Ecker Square  
Suite 2300  
San Francisco, CA 94105

Re: Wal-Mart

Dear Mr. Carter:

It is with deep concern that I have recently read about Wal-Mart's application for deposit insurance for its pending Utah based Industrial Loan Company (ILC). Without question, Wal-Mart has a history of destabilizing communities. As the chairman of our local business district organization, I have witnessed first hand the inevitable demise of our grocery stores, pharmacies and hardware stores as Wal-Mart deployed its vast resources to drive them out. I have enclosed a newspaper article from another local community where the "stores fear death by Wal-Mart. Of course, these respected business owners who have run their companies for generations will always have the option of joining in with Wal-Mart to work for less than \$9.00 per hour without benefits.

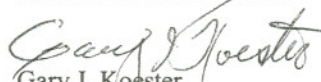
I am a free market advocate, but we are beginning to witness an unprecedented concentration of economic power in the retail sector by a single entity. To extend that reach to the financial sector and thereby mix banking with commerce is bad public policy that will surely create conflicts of interest. Congress reaffirmed its opposition to mixing banking and commerce in the Gramm-Leach-Bliley Act. Perhaps the FDIC should revisit the many obvious reasons that were cited at that time.

Granting Wal-Mart's application will create a systemic risk that would be enormous. First and foremost, I believe the FDIC's responsibility is to avoid such risk in favor of a stable, safe and sound banking system in spite of the lobbying and political pressure Wal-Mart is undoubtedly exerting in this case.

One would have to ask – what are the upsides to granting Wal-Mart's application? The downsides are obvious. We respectfully ask that you consider the outcomes carefully and vote against the Wal-Mart request.

Sincerely,

EAGLE SAVINGS BANK

  
Gary J. Koester  
President

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